



FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329
(916) 322-5660 • Fax (916) 322-0886

August 4, 2009

Gary Penrod
REDACTED

**Re: Warning Letter
FPPC Case No. 06/279; Gary Penrod**

Dear Mr. Penrod:

The Fair Political Practices Commission ("Commission") enforces the provisions of the Political Reform Act (the "Act")¹. As you may be aware, the Commission received a complaint against you alleging violations of the reporting and conflict of interest provisions of the Act. Specifically, the complaint alleges that while serving as San Bernardino County Sheriff you failed to disclose several real property interests as well as your wife's business, The Counseling Team International. In addition, the complaint charged that you violated the conflict of interest provisions of the Act by influencing a decision regarding a contract between the County and The Counseling Team International. The Commission has decided to close this case with this warning letter.

Under the Act, a designated employee, as defined in Section 82019, subdivision (a), of the Act and in the County of San Bernardino's Conflict of Interest Code, is required to file an annual Statement of Economic Interests ("SEI") by April 1st of each year that the employee remains in office. On the SEI, each designated employee must disclose reportable economic interests that he or she held during the preceding calendar year, according to specified disclosure categories incorporated into San Bernardino's Conflict of Interest Code. Your position, San Bernardino County Sheriff, was assigned a Category 1 disclosure requirement under the Conflict of Interest Code. Under this category, you were required to disclose "all sources of income, interests in real property, investments and business positions in business entities."

As a result of our investigation, we found no evidence to indicate a conflict of interest, however, we discovered several properties within the vicinity of or adjacent to your personal

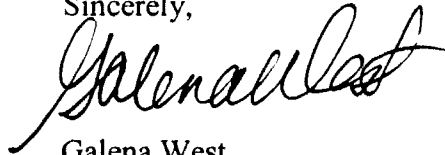
¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

residence which were not disclosed even though they were required to be disclosed on your SEIs for several years before your retirement in January of this year. By not disclosing these properties on your SEIs, you committed several violations of the Act. (Sections 87300 and 87303.) Although you had a non-delegable duty to understand and abide by the provisions of the Act, we are not moving forward with this matter based on the specific facts of this case. These include the fact that you amended your SEIs in response to the complaint before being contacted by the Commission, obtained advice from your county clerk and county counsel regarding your disclosure requirements, and sent correspondence to the Commission regarding your wife's business.

This letter serves as a written warning. The information in this matter will be retained and may be considered should an enforcement action become necessary based on future conduct or newly discovered information. Failure to comply with the provisions of the Act in the future will result in monetary penalties of up to \$5,000 for each violation.

The Commission publishes forms and manuals to facilitate compliance with the provisions of the Act. If you need forms or manuals, or guidance regarding your obligations, please call the Commission's Technical Assistance Division at 1-866-275-3772. Please also visit our website at www.fppc.ca.gov. If you have any questions regarding this matter, please feel free to contact me at 916-322-5660.

Sincerely,

A handwritten signature in black ink, appearing to read "Galena West", with a stylized flourish at the end.

Galena West
Senior Commission Counsel
Enforcement Division